

Report to Council



Date: November 21, 2016
File: 1200-40
To: City Manager
From: Ross Soward, Planner Specialist
Subject: Growth Investigated: Community Trends Report

Recommendation:

THAT Council receives, for information, the report from the Planner Specialist dated November 21, 2016, with respect to Kelowna's Community Trends Report.

Purpose:

To introduce "Growth Investigated: Community Trends Report."

Background:

Growth Investigated: Community Trends Report examines 2015 data and key trends in four subject areas, including: Our People, Our Economy, Our Homes and Our Environment. This is the third year the community trends report has been prepared, providing a snapshot of the community today as well as insight into trends that may have impacts on Kelowna in the future.

The trends report is one of several analytical reports produced by the City of Kelowna's Policy and Planning Department. While other reports focus on specific areas, such as housing, development statistics or Official Community Plan implementation, the Community Trends Report offers a broad picture of community direction and explores a selection of major trends that will impact Kelowna. Ultimately, the aim of the trends report is to equip the City, business, and community partners with the information needed to respond to a changing and evolving community. This supports the Council priority to *focus on planning excellence*.

Discussion

The positive momentum from 2014 carried over to 2015 as the Kelowna Census Metropolitan Area (CMA) became the fastest growing region in Canada. The population growth was largely driven by migration from other parts of Canada including the lower mainland and the Alberta. As the region has grown, the housing and economic sectors have also experienced growth and

expansion. From an environmental perspective Kelowna experienced a drought in 2015, resulting in new Water Conservation restrictions for many Kelowna residents. In addition to water conservation, access to clean and safe drinking water is examined in this report given the large number of residents who have been subject to boil water advisories over the last several years.

Highlights from the report include:

- Kelowna added approximately 4,000 new residents in 2016 and the Kelowna Census Metropolitan Area (CMA) was the fastest growing region in Canada in 2015;
- Median income increased to \$67,340 for Kelowna residents
- Despite strong population growth the 2015 annual unemployment rate increased by one per cent;
- The technology sector expanded to 355 businesses in the Central Okanagan up by 11 per cent from 2013 to 2015
- Building permit values were \$464 million up 30 per cent in 2015
- Residential building permits issued, topped 1,400 for the first time since 2008
- Rental housing vacancy rate dropped to 0.7 per cent to 2015
- Tourism Kelowna reported a ten per cent increase in actual hotel room revenue
- Approximately 48 per cent of residents are served by the improvement districts, including: Rutland Waterworks, Black Mountain Irrigation District, South East Kelowna Irrigation District and Glenmore Ellison (GEID)
- Many residents within the Glenmore Ellison Improvement District (GEID) and South East Kelowna Irrigation District (SEKID) have been under water advisories over the last five years
- The drought of summer 2015 prompted the City of Kelowna Water Utility to initiate water conservation measures in August 2015

In each of the four subject areas key trends are identified based on current community priorities as well as trends that are likely to impact Kelowna residents and businesses over the coming years. Four trends were selected for further investigation in this year's report:

- Housing boom? - Recent population growth and building permit data indicate Kelowna is booming, fueled by significant growth in multi-unit development. At the same time, the development in the region has put pressure on the supply of rental housing. In 2015, the vacancy rate dropped to 0.7 per cent prompting the City to explore further incentives to encourage rental housing and specifically family-friendly rentals.
- Becoming a regional hub - Over the last two years the Kelowna CMA saw a major increase in interprovincial migration and intraprovincial migration as Kelowna attracted students, young professionals and retirees from the lower mainland and other provinces. For example, the proportion of real estate buyers from the Lower Mainland and Vancouver Island is on the rise. In 2014, 8.5 per cent of buyers were from the Lower Mainland or Vancouver Island, increasing to 10.3 per cent in 2015 and 16.4 per cent as of September 2016.
- Tourism boosted - Kelowna's tourism sector benefitted from a low Canadian dollar and a dip in gas prices. Tourism Kelowna reported a significant increase in occupancy rates and total hotel room revenue as the sector experienced a banner year.

- Water quality varies - Many Kelowna residents have varied access to safe and clean drinking water. Kelowna residents who are in the Glenmore-Ellison Improvement District and the South East Kelowna Irrigation District have been under intermittent water quality advisories or boil water advisories for the last five years. Meanwhile, residents who are part of the City Water Utility have had zero advisories over the last 20 years. These water quality challenges and provincial policies have motivated the City to explore the potential for an integrated water system.

The trends report is about more than just reporting on data and trends. It is also critical that the City and other partners continue to use data to be proactive in determining strategies and operations. The plans and strategies listed below are some of the City's on-going efforts to anticipate broader changes in society.

- *Imagine Kelowna*: As the City continues to grow, it is important to step back and take stock of what kind of city we want to be. The Imagine Kelowna process will consider key demographic, technological, and societal trends to determine strategic directions that will position the city to succeed over the long-term.
- *2030 Infrastructure Plan*: This Plan will be used to ensure that the City's infrastructure investment decisions reflect emerging issues and the community's priorities.
- *Infill Challenge*: In order to accommodate new residents, the City is exploring ways to add new housing units to existing neighbourhoods in the form of infill housing (carriage homes, and duplexes, small lot housing). The project will provide greater housing options to residents, while focusing growth in areas with existing infrastructure.
- *Strong Neighbourhoods*: As Kelowna's population increases, the City will need to support new residents. Part of easing the transition for new residents is improving the sense of community. The *Strong Neighbourhoods* Program provides grants to support resident-led projects that empower neighbours to take action locally, build relationships, and gain a greater sense of neighbourhood pride.
- *Dark Fibre*: To support the growth of the Tech sector in the region, the City of Kelowna is investing in a network of fibre optic cable. Dark Fibre can move infinite amounts of data at any speed for a flat monthly fee, providing another incentive for tech firms (e.g. Bardel Entertainment) to locate in Kelowna.

The trends report is not a comprehensive inventory of issues facing the city. For example, homelessness is a major issue in Kelowna that is not included in the report as the City is at the early stages of understanding this complex issue. The first homelessness count for Kelowna was completed in 2016 and as more data is collected it may be included in future trends reports. The City's new Social Development Manager is working with local community organizations to develop a strategy to address homelessness. For many of the issues and trends facing the community the City alone cannot take on the responsibility of addressing the impacts of these trends. It is for this reason the City is exploring opportunities for collaboration such as the partnership with Interior Health on the Healthy City Strategy. By monitoring key trends, the City of Kelowna will be positioned to proactively address emerging issues and to dedicate resources to key programs, policy initiatives and services.

Internal Circulation:

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Director of Business and Entrepreneurial Development
Communications Advisor
Infrastructure Div. Director
Development Services Director
Urban Planning Manager
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Community Planning Department Manager
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Real Estate Director

Communications Comments:

The 2016 Community Trends Report can be found on kelowna.ca. The report will also be highlighted through corporate communications channels and distributed to key stakeholders.

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Existing Policy:
Financial/Budgetary Considerations:
Personnel Implications:
Alternate Recommendation:

Submitted by:

R. Soward, Planner Specialist

Approved for inclusion:



J. Moore. Acting Department Manager Policy & Planning

cc:

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